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COSTS OF FINANCIAL DISTRESS AND RECONSTRUCTION IN ENTERPRISES: AN APPLICATION IN İSTANBUL STOCK EXCHANGE

ABSTRACT

In this study, decisions of the companies are analyzed whether they choose settlement during bankruptcy or they turn to the ways of reconstruction, We handled what the financial problems; kinds, reasons and the results of these financial distress before the anlysis. At the final part of the study, the data about the reconstruction of enterprises functioning in İstanbul Stock Exchange is overlooked. We investigated that effect of declarations that made to the public about financial reconstruction operations on the stock yield. In order to analyze this, we used the data of the companies functioning in İstanbul Stock Exchange related to 2008-2012. Anormal and cumulative yields are also accounted in order to measure effects of the declarations to the price of firms.

KEYWORDS

Financial Reconstruction, Company Value, Event Survey, Cumulative Average Return, Excessive Return.